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BRITISH COLUMBIA

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## Business in Review and Outlook for the New Year

**Banner year in business just passed—Favorable outlook for development and exploitation of our natural resources—Lumber and Mining prospects bright.**

The year 1919 has proved a remarkable year in business and has certainly surpassed any forecast made at its beginning. The answer to its remarkable activity lies in the fact that the world was so short of goods that producers simply could not satisfy the demand. The hazy and indefinite notions of reaction which were confidently predicted at some period following the war have not given any evidence of being imminent. While we believe that economic reaction is positive and certain for the future the necessities of reconstruction and the insistent demand for the replacement of stocks throughout the world may cause its removal to a more distant future. So far as can be foreseen only two elements could produce reaction in the immediate future and they are radical labor control of government and the absolute breaking down of the exchange markets. The labor situation, while still sinister in outlook, is daily growing less threatening as the average labor unionist perceives that his interests are to some degree in comity with capital. The exchange situation, also serious, is not so far out of control that it cannot be handled when industrial prostration is in prospect. So far therefore as the future can be foreseen it is safe to say that the same factors which have been in operation for 1919 will continue to operate with the same or greater force during the new year. Some appreciation of the business activity in British Columbia for 1919 may be indicated by the bank clearings of Vancouver which for one day estimated—totals \$655,000,000, an increase of approximately \$110,000,000 over the previous year and \$10,000,000 greater than the previous banner year, 1912. This evidence of business activity has practically nothing of the element of speculation in it, whereas in 1912 land speculation, railway construction and business and residential building contributed so much to the total of that year. The experience of Vancouver is the experience of Victoria, New Westminster, Prince Rupert and practically all the business communities

of the province. In attempting to present some summary of the progress of 1919 and the outlook for the new year only rough estimates can be presented with their dominant characteristics.

The lumber industry has been without parallel in the history of the province. From spring to autumn advance in price has succeeded advance without apparently having the slightest influence with demand. The log scale for 1918 was 1,761,000,000 board feet. In these figures are included

the totals involved in the production of aeroplane spruce and fir, which for the second half of 1918 assumed such large proportions. Notwithstanding this war stimulus of lumber production the figures for 1919 will surpass those of the previous year and will total approximately 1,785,000,000 board feet. Notwithstanding some labor troubles with high cost of operation the year has been one of large profit for logger and manufacturer with all employees participating in the prosperity. Practically every saw mill and shingle mill was working to capacity except for necessary overhauls and a large number of the planing mills had to resort to double shifts in their efforts to keep up with orders. Due to a widespread campaign of house building in the United States the demand for the lumber products of the province was intense and a large percentage of the lumber cut has been shipped across the line. Notwithstanding unsatisfactory crops on the prairies the demand for houses was so insistent that some programme of home building had to be commenced. The eastern

The declaration of peace at hand, British Columbia finds itself in an excellent position to carry on its share in the greater development of Canada and the Empire which must follow. Business generally is in a healthy condition, and both from the manufacturing and the commercial point of view the outlook is decidedly encouraging. The situation in regard to Provincial finances continues most favorable, notwithstanding the heavy fixed charges which have to be met and extensive requirements on account of the rehabilitation of returned soldiers. Economies consistent with efficient service in all departments enable the Government to keep current expenditure within revenue. With increased production, careful management of public affairs and wise retrenchment on the part of individuals as well as all trustees for the people, the magnificent resources of this Province, coupled with the energy and enthusiasm of its inhabitants, justify the utmost optimism regarding the future.

JOHN HART,  
Minister of Finance.

market and the export trade are also demanding the provincial product. Most of the lumber manufacturers are behind in their orders, which intensifies the demand. Due to the adverse exchange rate on the Canadian dollar lumber manufacturers are able to reap a handsome additional profit by the sale of their lumber to the United States and for those who are able to avail themselves of this market this exchange item has proved of considerable amount. The manufacture of newsprint and pulp has also expanded with increased prices. Two new plants are about to commence operations in the production of sulphite pulp. The Beaver Cove project, at the north end of Vancouver Island, and